WEEKLY ECONOMIC REVIEW

July 7, 2006

Oil prices closed at a record US$75.19 per barrel on July 5, 2006 amid fears over North Korea's missile tests. Despite an unexpected build up in US gasoline stocks, oil prices were trading at record levels this morning because of rising US gasoline demand and geopolitical tensions. However, natural gas prices fell by 54 cents during the week to C$6.23/mcf, its lowest level since September 2004. U.S. natural gas inventories, up about 19 per cent above the level last year, and a lack of weather- and hurricane-realted news are weighing down on natural gas prices.

The value of building permits in Canada exceeded $5 billion for a sixth straight month in May. The 6.9 per cent gain in May was led by non-residential and multi-family hosing construction as permits for single-family homes declined. In the first five months of 2006, Calgary, Edmonton and Vancouver recorded the largest increases (in dollars) among the 28 census metropolitan areas.

Alberta's unemployment rate was 3.5 per cent in June, up from 3.4 per cent in May. Alberta has the lowest unemployment rate among the provinces in Canada. Although employment dipped slightly in June, it was up 5.1 per cent (90,600) from June 2005, the highest growth in Canada.

Cdn Dollar (C¢/US$)

July 7, 2006	89.8¢
June 30, 2006	89.7¢
2006-07 YTD	89.3¢

WTI Oil SUS/bbl

July 6, 2006	$75.14
June 29, 2006	$73.52
2006-07 YTD	$70.93

Nymex Natural Gas CS/mcf*

August Contract

July 7, 2006	$6.23
June 30, 2006	$6.77

*Estimate based on Nymex Futures Market Price

Following a strong gain of 96,700 in May, Canadian employment in June declined by 4,600. Even with June's dip, jobs in Canada increased by an average of 36,000 per month in 2006, the best half-year gain since 2002. The unemployment rate remained steady at a 32-year low of 6.1 per cent

The US economy added lower-than-consensus 121,000 nonfarm payroll jobs in June, following a gain of 92,000 in May. However, the unemployment rate remained unchanged at 4.6 per cent as the survey of households used to calculate unemployment rate showed a stronger gain of nearly 400,000.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date[1]
Employment (June)	**Monthly Change**			
Alberta	-7,000	-0.4%	5.1%	3.9%
Canada	-4,600	0.0%	2.2%	2.0%
Unemployment Rate (per cent)	**June**			**2006 Average**
Alberta	3.5	0.1	-0.4	3.4
Canada	6.1	0.0	-0.7	6.3
Building Permits (Millions)	**May**			
Alberta	964.3	3.3%	25.1%	25.9%
Canada	5,379.5	6.9%	10.1%	9.4%

Source: Statistics Canada, and U.S. Bureau of Labor Statistics

[1] *Year-to-date 2006 compared to the same time period in 2005. For example: January-May 2006 versus January-May 2005*